UNITED STATES PATENT AND TRADEMARK OFFICE

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EXAMINER
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Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>03</u> MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on <u>04 October 2004</u>.

2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
      closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) <u>1-5 and 7-118</u> is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) <u>1-5 and 7-118</u> is/are rejected.

7)☒ Claim(s) <u>10 and 69</u> is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage
        application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1)☐ Notice of References Cited (PTO-892)

2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3)☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____.

4)☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .

5)☐ Notice of Informal Patent Application (PTO-152)

6)☐ Other: _____.

DETAILED ACTION

Response to Amendment

Amendment received on 10/04/2004 is acknowledged and entered. **Claim 6** has been canceled. **Claims 1-5 and 7-118** are currently pending in the application.

Claim Objections

Claims 10 and 69 are objected to because of the following informalities:

Claim 10 and 69 are objected to because the phrase "...*Business unit's name*..." is not in compliance with MPEP 608.01(m), which states: Each claim begins with a capital letter and ends with a period.

Appropriate corrections are required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-49 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claimed invention is not within the technological arts.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that

promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In re Toma at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

The claims of the present application are distinguished from the claims analyzed in the decisions of *State Street, Alappat, Arrhythmia* and *AT&T*, where the claims in these cases clearly involved the use of technology as shown below.

State Street: The claims were in means plus function form and directed to a data processing system for managing a financial services configuration of a portfolio established as a partnership; the claims included limitations of a computer processor means for processing data, a storage means for storing data on a storage medium along with first through fifth means for processing different types of financial data. As such, the claims analyzed in *State Street* clearly involved the technological arts and, therefore, whether or not the claimed invention involved the technological arts was not an issue.

AT&T Corp: The claims were directed to a method for use in a telecommunications system in which interexchange calls initiated by each subscriber are <u>automatically</u> routed over the facilities of a particular one of a plurality of interexchange carriers associated with that subscriber comprising generating a <u>message record</u> for an interexchange call between an originating subscriber and a terminating subscriber, and including, in said message record, a primary interexchange carrier (PIC) indicator having a value which is a function of whether or not the interexchange carrier associated with said terminating subscriber is a predetermined one of said interexchange carriers. In considering these claims, it is clear that technology is being used to "automatically route" calls over the facilities of interexchange carriers and generating a message record for the call. Furthermore, the courts, in analyzing these claims, clearly indicated that they recognized the claims require the use of switches and computers. See *AT&T Corp. v. Excel Communications Inc.*, 50 USPQ2d at 1450 (Fed. Cir. 1999). The court further noted that AT&T's claimed process employs subscriber's and call recipients' PICs as data, applies Boolean algebra to those data to determine the value of the PIC indicator, and applies that value through *switching and recording mechanisms* to create a signal useful for billing purposes. See *AT&T Corp. v. Excel Communications Inc.*, 50 USPQ2d at 1453 (Fed. Cir. 1999). As such, the claims analyzed in AT&T clearly involved the technological arts as recognized by the court and, therefore, whether or not the claimed invention involved the technological arts was not an issue.

Alappat: The claims were directed to a rasterizer for converting vector list data representing sample magnitudes of an input waveform into anti-aliased pixel illumination intensity data to be displayed on a display means comprising various means for determining distances and means for outputting illumination intensity data. Alappat's invention related generally to a means for creating a smooth waveform display in a digital oscilloscope and as indicated by the court, Alappat's invention is an improvement in an oscilloscope comparable to a TV having a clearer picture. The court reasoned that invention was statutory because the claimed invention was directed to a "machine". See *In re Alappat*, 31 USPQ2d at 1552-54 (Fed. Cir. 1994). Furthermore, in the decision of *AT&T Corp.*, the courts recognized that the claims in Alappat were for a machine that achieved certain results. See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 50 USPQ2d at 1452 (CAFC 1999). Once again, these claims clearly involve the technological arts as recognized by the court and, therefore, whether or not the claimed invention involved the technological arts was not an issue.

Arrhythmia: The claims were directed to a method for analyzing electrocardiograph signals to determine the presence or absence of a predetermined level of high frequency energy in the late QRS signal including the step of converting a series of QRS signals to time segments, each segment having a digital value equivalent to the analog value of said signals at said time. In considering these claims, it is clear that technology is being used to convert a series of QRS signals to time segments having a digital value. Once again, these claims clearly involve the technological arts since one could not convert a signal to a time segment having a digital value without the aid of a computer or some processing device and, therefore, whether or not the claimed invention involved the technological arts was not an issue.

Contrary to the claims in the above cited cases, in the present application, claims 1-49 are completely silent with regard to technology and is purely an abstract idea or process steps that are employed completely without the use of any technology whatsoever. The claims are no more than a suggested idea of identifying, acquiring and distributing required software, and are completely devoid of any means to carry out the process.

Furthermore, in accordance with MPEP 2106 (IV)(B)(2)(b) "Statutory Process Claims", not all processes are statutory under 35 U.S.C. 101. *Schrader*, 22 F.3d at 296, 30 USPQ2d at 1460. To be statutory, a claimed computer related process must either: (A) result in a physical transformation outside the computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan, or (B) be limited to a practical application within the technological arts. See *Diamond v. Diehr*, 450 U.S. at 183-184, 209 USPQ at 6 (quoting *Cochrane v. Deener*, 94 U.S. 780, 787-788 (1877)). The claims in the present application do not appear to satisfy either of the two conditions listed above. First, the claims do not include limitations that would suggest a computer is being used to transform the data from one form to another that would place the invention in the technological arts. Second, disregarding the fact that there is no computer claimed that would physically transform the data, there does not appear to be any physical transformation of data. The claims merely determine "compliance with the software management process of the business entity", however, said compliance does not appear to represent a value resulting from a calculation of certain parameters by a computer or processor. Thus, there neither appears to be any physical transformation of data from one form to another which is based upon an algorithm or a calculation by a computer or processor, nor is there any technology claimed that would be used to transform the data. The method step of: "deploying the acquired software asset" may be understood as merely organizing distribution of acquired software assets. However, the claimed invention must utilize technology in a non-trivial manner (*Ex parte Bowman, 61 USPQ2d 1665, 1671 (Bd. Pat. App. & Inter. 2001)*). Although Bowman is not precedential, it has been cited for its analysis.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) a network system, or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble.

Because the independently claimed invention is directed to an abstract idea
which does not recite a limitation in the technological arts, those claims are not
permitted under 35 USC 101 as being related to non-statutory subject matter. However,
in order to consider those claims in light of the prior art, examiner will assume that those
claims recite statutorily permitted subject matter.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that
form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by
another filed in the United States before the invention by the applicant for patent or (2) a patent
granted on an application for patent by another filed in the United States before the invention by the
applicant for patent, except that an international application filed under the treaty defined in section
351(a) shall have the effects for purposes of this subsection of an application filed in the United States
only if the international application designated the United States and was published under Article 21(2)
of such treaty in the English language.

**Claims 50-118 are rejected under 35 U.S.C. 102(e) as being anticipated by
Conte et al. (US 5,845,065) (Conte).**

Conte teaches said method and system for network license compliance,
comprising:

Claim 50, a client system; a license pool (*centralized database*); and a server
system coupled to said client system and said license pool (C. 6, L. 15-35; C. 7, L. 10-
32). Information as to *identifying solution alternatives, conducting acquisition process,
deploying software; maintaining and reviewing software contracts; retiring software and
providing auditing capabilities* is non-functional language and given no patentable
weight. Claims Directed to an Apparatus must be distinguished from the prior art in
terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582,
531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed
apparatus is intended to be employed does not differentiate the claimed apparatus from

a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 51, said system, including a displaying component and a sending component (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *sending an inquiry* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claims 52-54, said system as in claim 51. Information as to *functions performed by the system* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 55, said system, including a tracking component a collection component (C. 15, L. 47-50); a displaying component, a receiving component and an accessing component (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *functions performed by the components* is non-functional language and given no patentable weight. Claims

Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claims 56-59, said system as in claim 55. Information as to *functions performed by the system* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claims 60-113, see claim 50. Information as to *functions performed by the system* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 114, a client system; a license pool (*centralized database*); and a server system coupled to said client system and said license pool (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *organizing and processing information; computing a software management sigma value and providing feedback* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 115, a client system; a license pool (*centralized database*); and a server system coupled to said client system and said license pool (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *accessing the centralized database; searching the database; retrieving information and computing a software management sigma value* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 116, a client system; a license pool (*centralized database*); and a server system coupled to said client system and said license pool (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *displaying a checklist, accepting the user responses and computing a software management sigma value* is non-functional language and given

no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 117, a client system; a license pool (*centralized database*); and a server system coupled to said client system and said license pool (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *receiving user's input; analyzing user's input and outputting a software management sigma value* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim 118, a client system; a license pool (*centralized database*); and a server system coupled to said client system and said license pool; said system further including a receiving component; a processing component; and an information fulfillment component (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *accessing the centralized database; searching the database; retrieving information and computing a software management sigma value* is non-functional language and given no patentable weight. Claims Directed to an Apparatus must be distinguished from the prior art in

terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-5, 7-17, 19, 24-34, 37-47 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conte in view of Jacobson (US 6,735,701).

Conte teaches said method and system for network license compliance, comprising:

Claim 1, identifying at least one required software (C. 7, L. 3-15); conducting acquisition process and deploying said identified software (C. 6, L. 39-43); storing information relating to software owned or licensed by a business entity, including maintaining and reviewing software license assignments (C. 6, L. 63-65); unassigning (retiring) software (C. 15, L. 31-33); tracking software licenses (C. 15, L. 47-50).

Conte does not specifically teach *installing updated software; and promting a user to respond to at least one question relating to the corresponding software asset.*

Jacobson teaches a method and system for network policy management, software compliance and effectiveness system, including: purchasing and upgrading

software (C. 20, L. 50-51); and further including maintaining a users' policy training and exam status (C. 20, L. 14-15), thereby obviously indicating obtaining from the users information (a response to at least one question) relating to the corresponding software for monitoring compliance with the software management process of the business entity.

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Conte to include upgrading said software, and obtaining from the users information relating to the corresponding software, as disclosed in Jacobson, because it would advantageously allow to provide said business entity with the latest version of the required software, and enable close monitoring of compliance with the software management.

Claim 2, storing information relating to software owned or licensed by a business entitiy, including maintaining and reviewing software license assignments (C. 6, L. 63-65), and update the database to indicate which applications are being run by which users (Conte; C. 10, L. 53-55).

Claim 3, storing user's identification (Conte; C. 7, L. 15; C. 8, L. 47-48).

Claims 4-5, storing application's pertinent details (Conte; C. 6, L. 15-16; C. 7, L. 10-15).

Claim 7. Jacobson teaches: providing a licensed software for a business entity, wherein a user's name, title, email address, department and employment status is stored (C. 20, L. 2-8). The motivation to combine Conte and Jacobson would be to simplify assessment of the status of the licensed software.

Claim 8, conducting a transaction with a vendor (Conte; C. 25, L. 10), thereby obviously indicating *storing vendor-related information.*

Claims 9-10, Jacobson teaches: providing training materials on-line (Figs. 24-26; C. 19, L. 18-19; C. 20, L. 14). The motivation to combine Conte and Jacobson would be to simplify assessment of the status of the licensed software.

Claims 11-12, matching user's *needs* with existing licenses (Conte; C. 7, L. 11-12), thereby inherently indicating *defining and analyzing business requirements.*

Claim 13, Jacobson teaches: analyzing local regulations (C. 19, L. 26-28). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claim 14, matching user's *needs* with existing licenses, said matching is conducted in a plurality of steps (Conte; C. 7, L. 11-12), thereby inherently indicating *reviewing and finalizing* method steps.

Claim 15, identifying software alternatives (Conte; C. 7, L. 7-35).

Claim 16, matching user's *needs* with existing licenses, said matching is conducted in a plurality of steps (Conte; C. 7, L. 11-12), thereby inherently indicating *evaluating and checking* method steps.

Claims 17 and 19, making a decision to use existing software (Conte; C. 7, L. 20-35).

Claims 24, installing said acquired software (Conte; C. 25, L. 6-7).

Claim 25, tracking licenses, and updating the database with the current information relating to licenses (Conte; C. 15, L. 46-60).

Claims 26-27 and 30-31, Jacobson teaches: providing information about justification for software purchases, upgrades and maintenance expense (C. 20, L. 50-51). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claim 28, Jacobson teaches: purchasing and upgrading software (C. 20, L. 50-51). The motivation to combine Conte and Jacobson would be to provide said business entity with the latest version of the required software, thereby enhancing the performance of the system.

Claim 29, Jacobson teaches: updating software purchase related information (C. 20, L. 33-36). The motivation to combine Conte and Jacobson would be to provide said business entity with the latest version of the required software, thereby enhancing the performance of the system.

Claims 32, Jacobson teaches: revising licensing information (C. 19, L. 9-11). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claim 33, Jacobson teaches: updating the system with the purchasing information (C. 19, L. 4-16). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claim 34, Jacobson teaches: monitoring effectiveness of the current policy, and users compliance with the current policy obviously indicates evaluating exposure of a department (C. 19, L. 4-16). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claim 37, Jacobson teaches: downloading a new policy if it was determined that the current policy is not effective obviously indicates implementing corrective actions (C. 19, L. 9-11). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claims 38, entering information via a keyboard (Conte; C. 25, L. 36; C. 10, L. 53-55).

Claims 39-40. Jacobson teaches: providing information in response to an inquiry, including downloading said information (downloading a new policy when a policy is ineffective) (C. 19, L. 10-12). The motivation to combine Conte and Jacobson would be to enable close monitoring of compliance with the software management.

Claim 41, Jacobson teaches: printing requested information (C. 15, L. 29-33). The motivation to combine Conte and Jacobson would be to provide a hard copy of the requested information to prevent information loss in case of power failure.

Claims 42-43. Jacobson teaches: displaying information on the client system; and prompting the client to download a new policy (C. 19, L. 10-12), thereby obviously indicating accepting an inquiry from the client system to download said new policy.

Claim 44. Conte teaches the use of Microsoft Office ©, thereby obviously indicates the use pull down menus (C. 2, L. 15-16).

Claim 45. Jacobson teaches: downloading said new policy over the Internet obviously indicates using HTML for linking user to an appropriate website (C. 19, L. 10-12; C. 5, L. 40).

Claim 46. Conte teaches that the client system and the server are connected via Ethernet networks (C. 1, L. 31).

Claim 47, Conte teaches: accessing information from a license pool (centralized database) including the name of the suite, the license number, the names of the applications and an identification of the users who are using the various applications (C. 7, L. 10-32); searching said pool in response to inquiry received from a user (C. 6, L. 39-43); retrieving and presenting said information to the user for tracking and monitoring (C. 15, L. 47-50).

Conte does not specifically teach *prompting a user to respond to at least one question relating to the corresponding software asset*.

Jacobson teaches a method and system for network policy management, software compliance and effectiveness system, including maintaining a users' policy training and exam status (C. 20, L. 14-15), thereby obviously indicating obtaining from the users information (a response to at least one question) relating to the corresponding software for monitoring compliance with the software management process of the business entity.

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Conte to obtaining from the users information relating to the corresponding software, as disclosed in Jacobson, because it would advantageously enable close monitoring of compliance with the software management.

Claims 18 and 20-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conte in view of Jacobson and further in view of Aycock et al. (US 5,765,138) (Aycock).

Claim 18. Conte in view of Jacobson teach all the limitations of claim 18, except specifically teaching *submitting a request for proposal and a request for information to prospective vendors;* and *reviewing results.*

Aycock teaches a method and system for providing an interactive evaluation of potential vendors, wherein a request for proposal or request for quotation (information) to prospective vendors is submitted, and vendors responses are scored and evaluated (C. 1, L. 48-51).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Conte and Jacobson to include *submitting a request for proposal to prospective vendors and reviewing results,* as disclosed in Aycock, because submitting a request for proposal to multiple vendors would advantageously allow to determine the best suitable vendor for the job.

Claim 20, Conte teaches: making a decision to use an existing software, and implementing said decision, obviously indicates approving said decision (C. 7, L. 20-35).

Claim 21, Conte teaches: said computer-implemented method steps, wherein all steps related to making said decision to use an existing software, and implementing said decision, are recorded in the database (C. 7, L. 20, 26, 34, 57-63).

Claim 22, Jacobson teaches said method, wherein monitoring of said software compliance and effectiveness further includes monitoring value of software being used at any time, and software and licensing cost/usage (equity investment) (C. 20, L. 55-58); type of software agreements, coordination of software license agreement with software utilization (contract terms and conditions) (C. 20, L. 47-48); potential policy infringements, and allocation of usage-related costs (legal and financial requirements) (C. 20, L. 62-64). The motivation to combine Conte with Jacobson would be to enable close monitoring of compliance with the software management.

Claim 23, Aycock teaches: selecting a vendor for a software project (C. 2, L. 61-63; C. 3, L. 22-23). The motivation to combine Conte and Jacobson with Aycock would be to determine the best suitable vendor for the job.

Claims 35-36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conte in view of Jacobson and further in view of Hedstrom et al. (US 6,477,471) (Hedstrom).

Claim 35. Conte and Jacobson teach all the limitations of claim 10, except teaching that said self-serve policy compliance information includes software management sigma value related information.

Hedstrom teaches a method and system for analyzing quality of the software development process, wherein the historical data, indicating defect containment in software development, is processed and sigma values are computed (C. 2, L. 34-38).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Conte and Jacobson to include software management sigma value related information, as disclosed in Hedstrom, because use of statistical tools for analyzing policy compliance would advantageously allow to compute predicted deviations of policy compliance, thereby increase accuracy of the system.

Claim 36. Hedstrom teaches a method and system for analyzing quality of the software development process, wherein the historical data, indicating defect containment in software development, is processed and sigma values are computed (C. 2, L. 34-38). The motivation to combine Conte and Jacobson with Hedstrom would be to enable the computation of predicted deviations of policy compliance by means of statistical tools, thereby increase accuracy of the system.

Claims 48 and 49 are rejected under 35 U.S.C. 103(a) as being unpatentable over Jacobson in view of Hedstrom.

Claim 48. Jacobson teaches a method and system for network policy management, software compliance and effectiveness system, including: displaying on the client system a software management assessment list of questions relating to software owned or licensed by the client (training feedback form); and maintaining a record of the users' policy training and exam status (Fig. 26; (C. 20, L. 14-15), thereby obviously indicating receiving users' responses to said questions (training feedback form).

Jacobson does not specifically teach *computing sigma value based on guidelines pre-stored within the database, wherein the sigma value indicates compliance with the software management process of the client.*

Hedstrom teaches said method and system for analyzing quality of the software development process, wherein the historical data, indicating defect containment in software development, is processed and sigma values are computed (C. 2, L. 34-38).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Jacobson to include calculating a sigma value indicative of deviation from requirements (guidelines) of software management related issues, as disclosed in Hedstrom, because use of statistical tools for analyzing policy compliance would advantageously allow to compute predicted deviations of policy compliance, thereby increase accuracy of the system.

Claim 49. Jacobson teaches a method and system for network policy management, software compliance and effectiveness system, including: receiving at the computer system input in response to questions (training feedback form) relating to software owned or licensed by the client; and maintaining a record of the users' policy training and exam status (Fig. 26; (C. 20, L. 14-15), wherein "exam status" obviously indicates *analyzing client's input against a pre-determined criteria.*

Jacobson does not specifically teach *computing sigma value based on guidelines pre-stored within the database, wherein the sigma value indicates compliance with the*

software management process of the client.

Hedstrom teaches said method and system for analyzing quality of the software development process, wherein the historical data, indicating defect containment in software development, is processed and sigma values are computed (C. 2, L. 34-38).

It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Jacobson to include calculating a sigma value indicative of deviation from requirements (guidelines) of software management related issues, as disclosed in Hedstrom, because use of statistical tools for analyzing policy compliance would advantageously allow to compute predicted deviations of policy compliance, thereby increase accuracy of the system.

Response to Arguments

Applicant's arguments filed 10/04/2004 have been fully considered but they are not persuasive.

In response to applicant's argument that Claim 1 is directed to a useful process that is considered within the technological arts, the examiner stipulates that claims 1-49 are completely silent with regard to technology and is purely an abstract idea or process steps that are employed completely without the use of any technology whatsoever. The claims are no more than a suggested idea of identifying, acquiring and distributing required software, and are completely devoid of any means to carry out the process.

In accordance with MPEP 2106 (IV)(B)(2)(b) "Statutory Process Claims", not all processes are statutory under 35 U.S.C. 101. *Schrader*, 22 F.3d at 296, 30 USPQ2d at 1460. To be statutory, a claimed computer related process must either: (A) result in a physical transformation outside the computer for which a practical application in the technological arts is either disclosed in the specification or would have been known to a skilled artisan, or (B) be limited to a practical application within the technological arts. See *Diamond v. Diehr*, 450 U.S. at 183-184, 209 USPQ at 6 (quoting *Cochrane v. Deener*, 94 U.S. 780, 787-788 (1877)). The claims in the present application do not

appear to satisfy either of the two conditions listed above. First, the claims do not include limitations that would suggest a computer is being used to transform the data from one form to another that would place the invention in the technological arts. Second, there does not appear to be any physical transformation of data. The claims merely determine "compliance with the software management process of the business entity", however, said compliance does not appear to represent a value resulting from a calculation of certain parameters by a computer or processor. Thus, there neither appears to be any physical transformation of data from one form to another, which is based upon an algorithm or a calculation by a computer or processor, nor is there any technology claimed that would be used to transform the data. The method step of: "deploying the acquired software asset" may be understood as merely organizing distribution of acquired software assests. However, the claimed invention must utilize technology in a non-trivial manner (*Ex parte Bowman, 61 USPQ2d 1665, 1671 (Bd. Pat. App. & Inter. 2001)*). Although Bowman is not precedential, it has been cited for its analysis.

As to technological arts recited in the preamble, mere recitation in the preamble (i.e., intended or field of use) a network system, or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea unless there is positive recitation in the claim as a whole to breathe life and meaning into the preamble.

Therefore, because the independently claimed invention is directed to an abstract idea which does not recite a limitation in the technological arts, those claims are not permitted under 35 USC 101 as being related to non-statutory subject matter. However, in order to consider those claims in light of the prior art, examiner will assume that those claims recite statutorily permitted subject matter.

In response to the applicant's argument that Conte does not teach *acquisition process of the at least one software*, it is noted that Jacobson was applied for this feature (C. 20, L. 50-51).

In response to the applicant's argument that Conte does not teach *installing updated software*, it is noted that Jacobson was applied for this feature (C. 20, L. 50-51).

In response to the applicant's argument that Conte does not teach *prompting a user to respond to at least one question relating to corresponding software for quantifying compliance with a software management process of the business entity*, it is noted that Jacobson teaches displaying on the client system a software management assessment list of questions relating to software owned or licensed by the client (training feedback form); and maintaining a record of the users' policy training and exam status (Fig. 26; (C. 20, L. 14-15), thereby obviously indicating receiving users' responses to said questions (training feedback form).

In response to the applicant's argument that Conte does not teach *the use of a web-based system* for managing software assets, the examiner points out that Conte teaches the use of various types of network (C. 1, L. 30-34). As per the Internet, Jacobson explicitly disclose the use of the Internet (C. 5, L. 40).

In response to the applicant's argument that Conte does not teach *reviewing* software license; and *retiring* a software asset, it is noted that Conte teaches maintaining and reviewing software license assignments (C. 6, L. 63-65); and unassigning (retiring) software (C. 15, L. 31-33).

In response to the applicant's argument that the prior art does not teach the apparatus functionality, the examiner points out that Conte teaches a client system; a license pool (*centralized database*); and a server system coupled to said client system and said license pool (C. 6, L. 15-35; C. 7, L. 10-32). Information as to *identifying solution alternatives, conducting acquisition process, deploying software; maintaining and reviewing software contracts; retiring software and providing auditing capabilities* is non-functional language and given no patentable weight. Claims Directed to an

Apparatus must be distinguished from the prior art in terms of structure rather than function, *In re Danly* 263 F.2d 844, 847, 120 USPQ 582, 531 (CCPA 1959).

A claim containing a "recitation with respect to the manner in which a claimed apparatus is intended to be employed does not differentiate the claimed apparatus from a prior art apparatus" if the prior art apparatus teaches all the structural limitations of the claim. *Ex parte Masham*, 2 USPQ2d 1657 (bd Pat. App. & Inter. 1987). Thus as described the limitations of the claim do not distinguish the claimed apparatus from the prior art.

Conclusion

THIS ACTION IS MADE FINAL. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication should be directed to Igor Borissov at telephone number (703) 305-4649.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (703) 872-9306.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's Supervisor, John Weiss, can be reached at (703) 308-2702.

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks

Washington D.C. 20231

or faxed to:

(703) 872-9306   [Official communications; including After Final
communications labeled "Box AF"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal

Drive, Arlington, VA, 7th floor receptionist.

IB

12/20/2004

DENNIS RUHL
PRIMARY EXAMINER